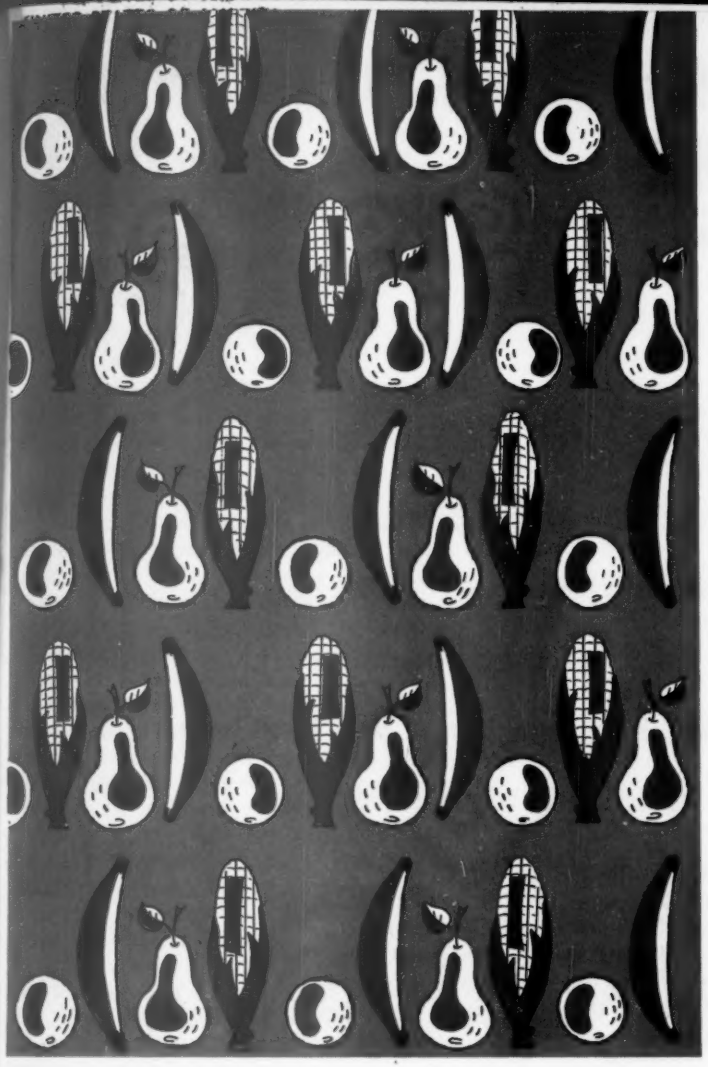


APRIL 13, 1964

THE UNIVERSITY OF MICHIGAN
APR 27 1964
PERIODICAL READING ROOM

A NEW DIRECTION FOR SOVIET AGRICULTURE

BRITISH FARM GUARANTEES

U.S. GAINS IN EUROPE'S GRAPEFRUIT MARKET

FOREIGN AGRICULTURE

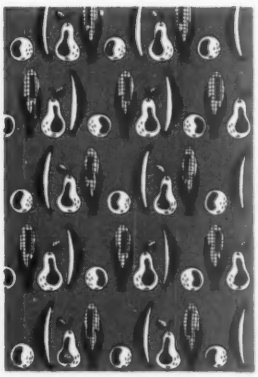
Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

APRIL 13, 1964
VOLUME II • NUMBER 15



Two articles on fruit appear in this issue: grapefruit and bananas. The United States is the world's biggest producer of grapefruit and buys the biggest share of its bananas.

Contents

3 A New Direction for Soviet Agriculture?

4 British Farm Guarantees Upped for Many Products

5 U.S. Gains in West European Grapefruit Market

6 Ecuador's Banana Trade Unsure of Export Market Future

7 U.S. Produces German Varieties of Alfalfa Seed

8 Market Development
- U.S. Brahman Breeders Lay Plans for Widespread Market Promotion of Quality Cattle in 1964-65
- 1964 Pan Am Livestock Show Seen Drawing Foreign Buyers
- Canada Promotes Oilseed Exports to Japanese Market
- Big Exporters to United Kingdom in 1963 Upped Advertising
- Spain Holds Its Eighth Annual Cotton Textile Fortnight

10 World Crops and Markets (Commodity index on page 16)

Orville L. Freeman, Secretary of Agriculture

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editor: Alice Fray Nelson **Associate Editor:** Ruth A. Oviatt

Advisory Board:

W A. Minor, Chairman; Wilhelm Anderson, Burton A. Baker, Douglas M. Crawford, John H. Dean, F. Leslie Erhardt, David L. Hume, Robert O. Link, Kenneth W. Olsnn, Donald M. Rubel.

This magazine is published as a public service, and its content may be reprinted freely.

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $5.50, domestic, $8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

A New Direction for Soviet Agriculture?

The future of Soviet agriculture, says Khrushchev, hinges on greater output per acre, man, and animal, and this requires a greater state contribution.

By HARRY E. WALTERS
Regional Analysis Division
Economic Research Service

Two Plenums of the Central Committee of the Soviet Communist Party have convened in the months since the full impact of 1963's crop failure was made known. From these meetings of top Party officials and agricultural specialists—the platforms from which major Party programs are announced—have come a number of new policies that could be highly important for the future of Soviet agriculture.

The importance of the policies lies primarily not in the goals announced—they are essentially the same as those announced in 1958 and 1962—but in the intensive methods proposed to achieve them. During the first half of the decade that began in 1953, the principal methods of increasing farm production were an expansion of the land under cultivation and a buildup of livestock herds. These extensive methods did bring an increase in output, but higher productivity accounted for only a small part. In many respects, 1958—the best year of the decade—represented the maximum output such methods could achieve, and then only under very favorable weather conditions. As the years since 1958 have shown, extensive agriculture is especially subject to the whims of the weather.

This lesson appears to have been driven home to Soviet leaders, at least for the time being. Both the December 1963 Plenum—concerned with the chemical industry—and the February 1964 Plenum—concerned directly with agriculture—dealt largely with methods for increasing agricultural productivity. The inputs discussed were more mineral fertilizer, machinery, and capital. Land expansion was ruled out, as was an increase in the agricultural labor force. More effective incentives and the reduction of production costs were discussed at length.

Fertilizer high on list

The fertilizer program is by far the most significant development to emerge from the two Plenums. By 1970, annual output of mineral fertilizer is to be raised to 80 million metric tons from the 1963 level of about 20 million. To attain this level, the chemical industry is to spend nearly a quarter of the 42 billion rubles ($46 billion) it is scheduled to receive over the next 7 years.

During 1964, 10 million tons of mineral fertilizer are to be applied to grain crops, including 7 million tons on crops to be harvested this year. The use of fertilizer on grain crops in the Soviet Union is an innovation, and realization of only a portion of the program is sure to increase yields. Heretofore, fertilizer was used primarily on industrial crops such as sugarbeets, sunflowers, and cotton.

Facilities for transporting and applying fertilizer are also to be increased. At first, only the more humid regions will receive fertilizer. Studies have been made of crops and regions, to determine yield responses that can be expected from fertilizer application. USDA, analyzing one of these studies[1], has found that the anticipated yields—judged by comparable U.S. regions—are roughly correct.

Also evident from the Plenums is a realization on the part of Soviet officials that farm workers must be trained in the use of fertilizer. Discussions brought frank acknowledgment that up to half the value of mineral fertilizer has been lost through inefficient and negligent handling and improper application.

The present fertilizer goals were announced as far back as 1958: by 1965, fertilizer production was to reach 35 million metric tons. However, the increase in fertilizer output, which had amounted to about 1 million tons a year between 1953 and 1956, slackened off to less than a million tons between 1957 and 1960. In 1961, however, the annual rate of increase in fertilizer production began to grow more rapidly—1.5 million that year, 2.0 million in 1962, and 2.7 million in 1963. The present program appears to be reinforcing and adding considerable emphasis to this upward trend and committing the resources to continue it throughout the present decade.

More government investment

Capital investment by the state in agriculture for productive purposes is also scheduled to rise rapidly. In 1964 it is to be 5.4 billion rubles and in 1965, 6 billion, against less than 1 billion a decade ago. State investment in agriculture remained relatively stable in the 1957-60 period after a dramatic increase between 1953 and 1956 to finance the opening of the Virgin Lands. It began to rise again in 1961 and has done so ever since. If plans are carried out, annual state investments in agriculture will have doubled between 1961 and 1965.

These investments do not include those for the chemical industry or those of collective farms, which now average between 2.5 billion and 3 billion rubles per year.

The annual rate of increase in the production of agricultural machinery also slowed down appreciably between 1957 and 1961. Deliveries of some kinds of farm machines to agriculture actually declined. Starting in 1962, however, deliveries began to increase rapidly, and in 1963 agricultural machinery was one of the fastest growing sectors of Soviet industry.

The irrigation program—Party Chairman Nikita Khrushchev's "insurance reserve"—has not been formalized. However, 2.6 million hectares, or about 6.4 million acres, of land now under irrigation will be used for producing grain—mainly rice, corn, and wheat—in 1964, compared with 4.7 million acres in 1962. Khrushchev says an addi-

(Continued on page 15)

Further change in Soviet agriculture was reportedly proposed by Premier Khrushchev on April 8, after the above article had gone to press. This reported proposal concerned a large-scale shift from all-purpose to specialized farms. No details were given.—Ed.

British Farm Guarantees Upped for Many Products

By LYLE SCHERTZ
Grain and Feed Division
Foreign Agricultural Service

Britain's 1964 Annual Review and Determination of Guarantees, carried out by the government with the National Farmers' Union, has resulted in changes designed to give its farmers an income increase of $8.68 million in 1964-65. Announced by Minister of Agriculture Soames in the House of Commons and published in the customary White Paper, these changes include increases in guaranteed prices to farmers for several products, the introduction of standard quantities for grains, and plans for putting minimum import prices for grains into effect during the 1964-65 grain year. For the first time since 1961, the terms of the Review were agreed to by the Farmers' Union.

For fat cattle, wool, milk, potatoes, and sugarbeets, the prices that the United Kingdom guarantees its farmers were increased. Those for all cereals and for fat sheep and lambs were not changed. Egg guarantee prices were lowered slightly, as was the guarantee for fat pigs. However, other adjustments in the fat-pig program will offset the decrease and will actually result in increased returns to producers.

An increase of 3 cents a gallon in the milk guarantee price is to contribute over three-fourths of the $86.8-million increase in the total value of the guarantees. A decline in the U.K. dairy herd, decreased milk production, and an expectation that yields will not rise as rapidly as in the past were cited as justifications for an increase in dairy returns. Actually, the entire cost of the milk guarantee is at present falling on consumers. Producers receive a "blend" price, combining the returns for liquid milk and for milk used in manufacture at substantially lower prices. Consistent with the guarantee-price increase, retail prices of liquid milk were increased 1 cent, from 16½ cents to 17½ cents a quart effective April 5.

The guaranteed prices for cereals were left unchanged at $1.99 per bushel for wheat and $1.60 per bushel for barley. The "standard quantity" concept, however, was introduced into the cereals guarantee structure. Setting these quantities will limit the amount of production for which farmers will receive the full difference between market prices and guaranteed prices, in the form of deficiency payments.

To the extent that production exceeds the standard quantities, the deficiency payments will be decreased. The higher the production, the lower the per unit deficiency payment, and therefore the per unit return for grain production.

Along with the standard quantity, target indicator prices are to be introduced for wheat and barley. In years when production exceeds the standard quantity, market price declines below the target indicator prices will not be offset by deficiency payments. For wheat, the target indicator price is to be $1.50 per bushel; for barley, $1.14 per bushel.

British production of grain in recent years is compared with the announced standard quantities as follows:

	Wheat	Barley	Wheat and barley	Total grain
	Mil. tons	*Mil. tons*	*Mil tons*	*Mil. tons*
1960-61	2.9	4.2	7.2	9.6
1961-62	2.6	5.0	7.6	9.6
1962-63	2.9	5.8	9.7	11.6
1963-64	3.0	6.6	9.6	11.2
Standard quantities	3.3	6.5	9.8	—

The announcement that standard quantities would be introduced for wheat and barley, subject to the introduction of a minimum import price system, had been generally expected. In last year's White Paper, the government announced that steps taken at that time to limit egg and fat pig exchequer expenditures were a "... prelude to further changes which will be necessary in the development of the government's agricultural policy."

The White Paper also confirmed that agreement in principle has been reached between the United Kingdom and its overseas suppliers on the introduction of a minimum import price arrangement for grains. Subject to final agreement with the suppliers and to necessary legislation, the minimum import prices for cereals will be effective for the 1964-65 cereal year.

For fatstock the White Paper indicated that although a standard quantity had been considered, it would not be introduced this year because the United Kingdom had been unable to reach agreement with its overseas suppliers on the British proposal for restrictions on exports to the British market.

Essentially, the United Kingdom's agricultural program has been one whereby the government guarantees to farmers a return for the products while permitting imports to enter with relative freedom. Generally, the difference between the guaranteed return and the actual market price has been paid to the individual producers in the form of government deficiency payments. Thereby, consumers have been assured of food prices consistent with the prices of imported agricultural products.

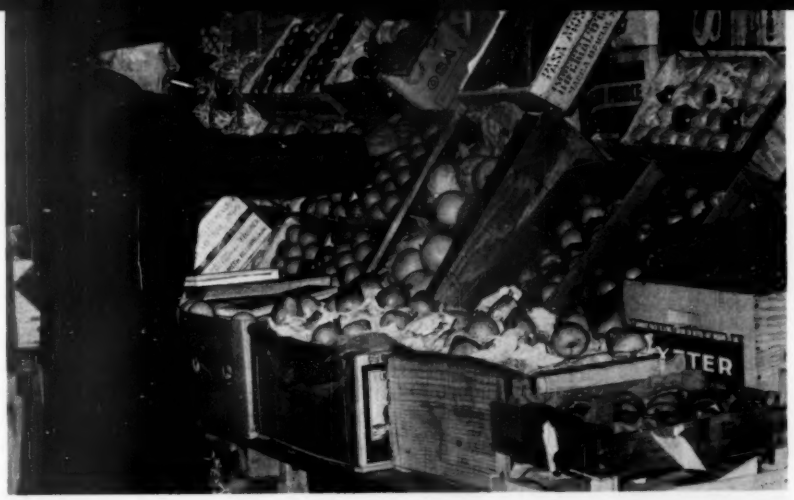
GUARANTEED FARM PRICES IN THE UNITED KINGDOM

Item	1962-63	1963-64	1964-65
	Dol.	*Dol.*	*Dol.*
Fat cattle — 100 pounds live weight	20.88	20.88	21.25
Fat sheep and lambs, 100 pounds carcass weight	44.33	44.33	44.33
Fat pigs — 100 pounds deadweight	32.55	32.55	32.25
Hen eggs — dozen	.54	.54	.53
Wool — pounds	.62	.62	.64
Milk — gallons	.37	.37	.40
Potatoes — short tons	33.12	34.37	35.00
Sugarbeets — short tons, 16 percent sugar content	15.58	15.58	16.00
Wheat — bushels	2.02	1.99	1.99
Barley — do	1.65	1.60	1.60
Oats — do	1.10	1.10	1.10
Rye — do	1.51	1.51	1.51

Conversion rate: £1=$2.80.
1964 Annual Review and Determination of Guarantees.

The Government of the United Kingdom has, however, shown increased concern for the expenditures which this approach involves. In 1961-62, the estimated cost of Exchequer support to agriculture totaled $959 million. Although the cost declined slightly in the next 2 years, it is expected to rise for 1964-65. Increased domestic production combined with lower prices in world markets has placed increased burdens on the government budget. In addition, the unpredictable levels of production and prices have caused related difficulties in budgeting for the deficiency payments. The introduction of minimum import prices and standard quantities is an effort to limit government expenditures for the support of agriculture and to help make these expenditures somewhat more predictable.

London greengrocer checks stand, right, at Covent Garden market where much Israeli-produced grapefruit—seen below arriving by wheelbarrow—is sold. U.S. citrus also has a big stake in Europe: Below right, Danes sample Florida grapefruit sections in Copenhagen department store.



U.S. Gains in West European Grapefruit Market

A taste for grapefruit, which for many years was limited to the English-speaking nations of the United States, Canada, and the United Kingdom, has gradually been picked up by continental Europe. Almost unknown to continental consumers prior to World War II, grapefruit—both fresh and processed—has now won wider acceptance.

For the world's biggest producer, the United States, this whetted appetite for grapefruit means growing opportunity for expanding exports to a prime dollar area. All suppliers have recently upped sales to Western Europe, but the United States has made a proportionately bigger gain than any. In 1962, fresh grapefruit going to the area topped the 1951-55 average by over 2 million boxes, and the U.S. share of the market gained from around 200,000 to 900,000 boxes.

Further increases in this market are not foreseen for the time being. Exports in the current season are running about the same as during the 1962-63 season when the January 1963 freeze sharply diminished winter grapefruit production in Florida. The U.S. grapefruit crop in 1963-64 will also be short—10 million boxes less than the 1957-61 average—because orchards are not yet fully producing.

Europe's suppliers

It would appear that the United States, with a production of over 88 percent of the world total, would be the main grapefruit supplier to the European market. On the contrary, U.S. sales trail those of Isreal. The second largest producer, Israel, averages only 3.7 percent of the world crop. But its exports to West Europe outpace sales of all competitors—including Trinidad, Jamaica, Cyprus, Morocco, and Algeria, as well as the United States. Most of the U.S. crop is consumed domestically.

Today this trade pattern is taking on a different facet. European purchases of grapefruit have been so great lately as to allow the United States a bigger stake in the Israeli-dominated market—especially the continental market—without losing its traditional export trade with Canada.

With grapefruit imports averaging 1.7 million boxes a year, Canada remains the chief U.S. foreign market. However, recent U.S. shipments to West Germany, France, the Netherlands, Austria, and Denmark are making continental Europe an increasingly valuable outlet. From 1951 to 1955, 1 out of every 9 boxes of fresh grapefruit consumed in Western Europe came from the United States. In 1961 the scales tipped to 1 out of every 3 boxes, and by 1962 the 1 to 3 proportion was continuing with 902,000 U.S. boxes out of total area imports of 3.2 million.

West Germany, the main European market, in 1951-55 averaged 16,000 boxes a year of fresh U.S. grapefruit out of total imports of 108,000 boxes. By 1962, it was taking 281,000 U.S. boxes out of 535,000. French imports from the United States rose from the 1951-55 average of 28,000

boxes to 166,000 in 1961 and to 212,000 the following year. Dutch imports in the same decade were also ballooning—nearly quadrupling in 1961 from the 1951-55 average, and rising again in 1962.

Increases also occured in non-EEC countries. Neither Austria nor Denmark were taking any U.S. fresh grapefruit in 1951-55 because of import restrictions; by 1962 both were, and although the quantities were not large, the sales represent new opportunities for dollar earnings.

Freeze cuts products trade

Until the 1963 freeze, U.S. exports of grapefruit products, especially single strength, hot pack, and frozen juice concentrates, were sharing in the expanding European market.

In 1961-62, Europe had upped imports of U.S. single strength grapefruit juice to 1.1 million cases from 372,000 the previous season. During the same 1961-62 season, European imports of frozen grapefruit juice concentrate had also shown a marked gain—reaching 93,000 gallons from 12,000 gallons supplied by the United States in 1959-60. However, frost losses reduced U.S. exports in 1962-63 to 761,000 cases of single-strength grapefruit juice, and to 8,000 gallons of frozen juice concentrate.

Trade in grapefruit products has been declining and the 1962-63 season reinforced this trend. However, in the 1961-62 season, the Netherlands and Denmark had made substantially greater purchases of this product—10,000 and 5,000 cases respectively.

The United Kingdom consumes more grapefruit and grapefruit products than any of the other European importers. It annually imports two to three times as much fresh grapefruit as West Germany, the next largest market.

U.K. restrictions

Unfortunately, the door to the U.K. market for U.S. fruit is partly shut by seasonal embargoes and quota restrictions. From October 1 to March 31 of each year, the United Kingdom denies entry to fresh U.S. winter grapefruit—purportedly to protect its Commonwealth suppliers, i.e., Trinidad, Jamaica, and British Honduras. Curiously enough, the United Kingdom's restriction on fresh winter grapefruit does not apply to Israel, although Israel competes with Commonwealth citrus producers. At present, Israel supplies most of the United Kingdom's fresh grapefruit—of the 1 million boxes imported in 1961 about 31 percent originated in Israel.

The United Kingdom also has imposed a quota on U.S. canned sections and blended orange and grapefruit juices. It recently announced that for the year beginning October 1, 1963, it would permit imports of U.S. blended juice until they reached a value of £300,000 c.i.f.; during the same year, grapefruit sections would have entry until they reached a £450,000 c.i.f. value.

Despite these barriers, the United States ships limited amounts of summer grapefruit to the United Kingdom and enough single-strength grapefruit juice to make it the third largest European buyer. However, every effort is being made to have the quotas removed. The United States has protested the United Kingdom's discrimination against its winter grapefruit, canned sections, and blended juice before the General Agreement on Tariffs and Trade (GATT).

Ecuador's Banana Trade Unsure of Export Market Future

Ecuador's banana exports in 1963 peaked at a record 43 million stems, and a repetition of this good year is predicted in 1964; yet the country's banana industry feels it has little basis for complacency. Industry and government alike are concerned about possible loss of markets.

One long-term problem troubling Ecuador is the revitalization of the banana industry in Central America and Colombia. In Central America—principally Mexico and Honduras—banana plantations devastated by Panama disease are being replanted in the disease-resistant Cavendish variety. This variety is supposedly endowed with superior flavor characteristics not possessed by the Gros Michele variety grown in Ecuador; characteristics that might make Cavendish bananas more readily saleable in the United States, Ecuador's chief outlet.

Other developments which foretell increased competition for Ecuador may involve new plantations in Southeast Asia from which bananas could be shipped quickly and cheaply to Japan. Japan, which only a few years ago took virtually no bananas from Ecuador, has become an important outlet in the past few years. Its imports reached 8 million stems in 1963, and are forecast to increase further in 1964—hence to lose this market would be a major loss to Ecuador's banana trade.

By contrast, Ecuadoran bananas marketed in Japan and other countries must be shipped long, costly distances. Those in transit to European and western U.S. ports, for example, are delayed 1 day in moving through the Panama Canal. For these and other reasons—notably the stevedore charges and an average 36-cents per stem export tax imposed by the government—some exporters allege that Ecuadoran bananas cannot compete with fruit produced elsewhere in an extremely competitive industry.

Banana earnings

Ecuador wants to keep its place as the world's leading banana exporter and to do so is of immense national importance. Fruit going to U.S., European, and Japanese markets earn more exchange than any other export item.

Thus, the government is thinking about ways to assure the industry's future. It has already granted special tax relief to exporters who open up new markets or appreciably increase sales to existing ones. Also, the Dirección Nacional del Banano recently sent an official team to Colombia and Central America to study their progress in replanting, and has invited a U.S. firm to assess Ecuador's potential as a banana products manufacturer.

In the long run, the future of Ecuador's banana trade will depend on expanding world consumption. A few years ago the Japanese Government liberalized banana imports, allowing Ecuador a new and profitable outlet. If Italy lifts controls on banana imports, another new market may be created. In view of these events, Ecuador hopes that increased production elsewhere may be balanced out by increases in world consumption, leaving its international markets intact.

U.S. Produces German Varieties of Alfalfa Seed

Growing German varieties of alfalfa seed in California promises a solution to a long-standing problem of German alfalfa producers: The failure of foreign varieties of alfalfa seed to adapt readily to the soil and climatic conditions of West Germany.

West Germany—a large alfalfa producer—has several high-yielding varieties of alfalfa, but these cannot be multiplied to any extent in that country; therefore, about 90 percent, or 2.7 million pounds, of its annual seed requirements must be imported. Much of this comes from the United States.

Foreign varieties, however, are often poor yielders, susceptible to disease, or not persistent enough. Partly as a result of these shortcomings, the alfalfa acreage in West Germany has dropped by 50 percent within the last 10 years.

The poor adaptability of the American varieties of alfalfa coupled with the need for more German varieties prompted an agreement in 1958 under which producers in the United States would grow seed provided by German breeders. Dr. Uwe Simon, Professor of the Bavarian Seed Research Institute, visited the United States and chose California as the place to start the production trial; there in 1959 the first seed multiplication fields were established, under the supervision of the California Crop Improvement Association.

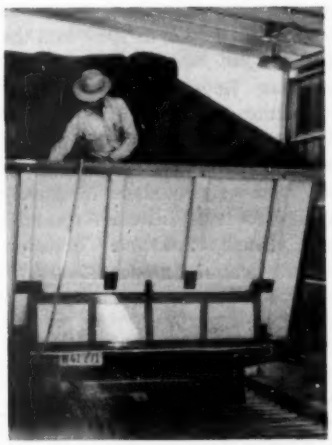
The experiment has paid off. In 1963, 742,745 pounds of certified seed were produced on 1,491 acres compared with 56,888 pounds from 214 acres in the first year of the trial. And California now contributes about 25 percent of the total annual alfalfa seed supply in Germany.

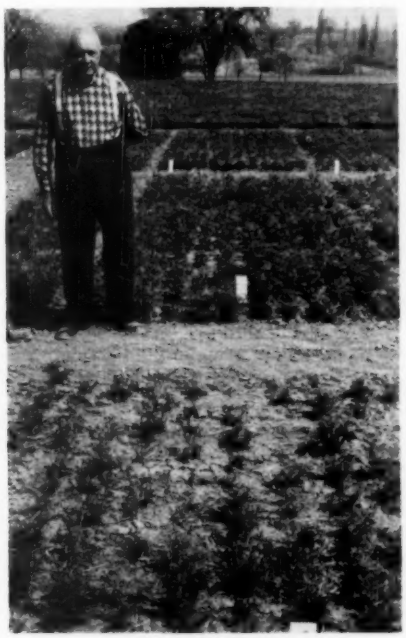
All of this is well-adapted seed, outstanding in performance and quality. Three years of testing at the Bavarian Seed Research Institute revealed no significant change in the genetic purity of the varieties. Second and third harvest performance comparisons showed that there was little difference between yields of U.S.- and German-produced seed.

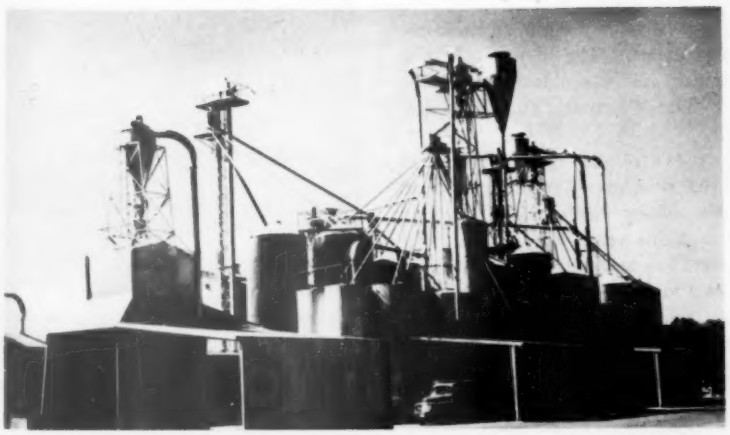
The following table shows the development of the California seed multiplication program:

	Varieties multiplied	Acres approved for certification	Amount of seed certified
	Number	*Acres*	*Pounds*
1959	3	214	56,888
1960	4	791	211,931
1961	8	2,038	627,499
1962	7	1,830	583,496
1963	3	1,491	742,745

University of California, Department of Agronomy.







Above, breeder of one of Germany's leading alfalfa varieties compares poor stand of foreign variety (front) with excellent stand of German variety (back). Top left, harvesting alfalfa; top right, dumping seed at processing plant. Left, modern alfalfa seed processing plant in San Joaquin Valley, California.

U.S. Brahman Breeders Lay Plans for Widespread Market Promotion of Quality Cattle in 1964-65

A new 2-year plan to expand foreign sales of registered U.S. Brahman cattle is the most comprehensive market development program yet undertaken by the American Brahman Breeders Association and FAS.

While last year's $2 million sales of registered U.S. Brahman were the third highest on record, exports during the next few years are expected to top this mark, with market development a major stimulus.

Included in the 1964-65 promotion program for the first time will be five African countries, the Dominican Republic, Jamaica, and Bolivia and Brazil. Activities in six other South American countries will be continued as will those in the Central American Republics and Mexico.

Technical assistance program

The new program will be built principally around the time-proven approach of sending ABBA specialists to inspect and classify local cattle herds of foreign ranchers. Heifers will be selected for breeding with U.S. Brahman bulls; offspring of this cross would then be eligible for registration with the ABBA. At the same time, specialists will render technical assistance to breeders trying to upgrade herds, and provide information on modern feed and management practices.

Of special significance will be an 8-week market development trip to South Africa scheduled for April and May of 1965. (No trips are set for this year to allow for building up of breeding herds.) In the past 2 years, this country has moved from a nominal buyer of U.S. Brahman to the third largest, taking 255 herds in 1963.

Brahman-Afrikaner hybrids

According to an ABBA team which surveyed South Africa's cattle industry in 1963, U.S. Brahman are being bred to Afrikaner cattle, the country's principal domestic beef breed, with excellent results. From this cross of unrelated species are coming offspring with unusual hybrid vigor, and with a faster maturing rate and greater beef and milk yields than pure Afrikaners.

With shipping costs ranging from $800 to $1,000 per head, South Africa demands the highest quality Brahman the United States produces for export. British breeds are chief U.S. competitors in this market.

Emphasis on Latin America

Focal points of 1964 market development will be the traditional markets for U.S. Brahman in Latin America.

Mexico, where the demand for ABBA classification teams is greatest, is slated for the first market development trip this June. In this No. 2 market for U.S. Brahman, the ABBA plans to inspect and classify from 3,000 to 5,000 head of native Cebu cattle.

In September, teams will go to Venezuela—which maintained its status as No. 1 U.S. market in 1963 with the taking of 2,300 head—then on to the Dominican Republic and Jamaica. Classification trips to the six Central American Republics are set for October and November of this year. South American countries tentatively scheduled for 1965 include Argentina, Bolivia, Brazil, Colombia, Ecuador, Peru and Central America.

1964 Pan Am Livestock Show Seen Drawing Foreign Buyers

A National Brahman Show will be featured at the Pan American Livestock Exposition to be held in conjunction with the Texas State Fair in Dallas, October 10-18.

The Exposition—No. 1 hemispheric showcase for purebred U.S. livestock and poultry—last year attracted some 1.8 million visitors. Among them were cattlemen from 17 countries who purchased nearly $1.2 million worth of U.S. livestock. This brought to $13.2 million the total spent by foreign livestock importers at the Exposition since it began in 1953. With worldwide interest growing in high-protein food production, this year's Exposition is expected to attract even more overseas visitors.

Twenty-six livestock breeds will be represented at the 1964 Exposition, including 12 breeds of beef and dairy cattle, 7 of swine, 6 of sheep, and 1 of goats. A State Jersey Cattle Show, and Southwest Regional Holstein-Friesian Show are also on the event-filled calendar.

Representatives from FAS and from U.S. livestock associations will be on hand to answer prospective buyers' questions regarding sales terms, export requirements, and animal husbandry.

Canada Promotes Oilseed Exports to Japanese Market

A nine-member Canadian oilseed team will visit Japan April 18-May 2 for meetings with importers, processors, and government officials, as a part of Canada's program to promote oilseed exports. The high-level Canadian team includes officials of trading firms, oilseed growers, and of government.

Canada's oilseed exports to Japan in 1963 were over $26 million. Japan is the leading market for Canadian rapeseed this year, and for a number of years has been second only to Britain as a market for Canadian flaxseed. Many Canadian grain farmers consider rapeseed fully as profitable a crop as wheat. Active Japanese buying last year resulted in farmers getting from $2.58 to $2.70 a bushel.

Japanese is one of five languages used in this 14-page, 4-color brochure put out by Canada's Department of Agriculture to promote rapeseed exports.

Big Exporters to United Kingdom in 1963 Upped Advertising

Record spending in 1963 for consumer-oriented advertising by top farm exporters to the United Kingdom spells growing competition for U.S. agriculture in this $5 billion market for farm products.

While the United States is traditionally No. 1 supplier to the United Kingdom, the next ranking exporters—Denmark, Australia, and New Zealand—each year are intensifying promotion activities to expand their shares of this market. To a less extent, the same may be said for the Netherlands, South Africa, Spain, Israel, and West Germany.

Spending for TV and press advertising—at $5 million—showed a 17-percent increase from the previous year. Poster and billboard advertising was stepped up as well, with roughly 90 percent of urban areas now covered by this promotion medium.

Expenditures by governmental and quasi-governmental organizations of these countries for U.K. promotion totaled an estimated $15 million in 1963. Slightly over $1 million was spent by the USDA and associated private organizations for promotion in the United Kingdom.

Changing U.K. market

The 1963 program with its increased emphasis on consumer advertising was tailored to meet changing requirements of the U.K. market.

Food spending by British consumers has virtually doubled over the past 10 years; they have become prime target for some 25,000 domestic and foreign food manufacturers.

With the rapid growth of self-service markets, the consumer today has the widest variety of processed foods to choose from, including many new products.

Joint retailer-manufacturer advertising has become a major factor in negotiating sales, and numerous chain stores now publish magazines which feature ads of their suppliers.

Despite fresh emphasis on advertising in 1963, the techniques utilized by the top three exporters to push farm products changed little.

Denmark, whose principal exports to the United Kingdom are mostly bacon and butter, carried on four major consumer campaigns including "Danish Food Weeks," which received wide support from the retail trade. A new activity was publishing *Round the Year Cookery*, a booklet featuring favorite Danish recipes and distributed in cooperation with a leading chain store in London. The Danish Food Center rounded out its fourth year as a showplace for demonstrating Danish butter, bacon, canned meat, and cheese. All phases of promotion are handled by the Danish Agricultural Producers Information Service which maintains close liaison with Britain's food trade.

Australia's 1963 promotion, focusing on lamb, dairy products, wine, and dried fruits, was keyed to special promotions with chain stores and buying groups in the United Kingdom. Butter—Australia's main export to the United Kingdom—for the first time was promoted under a national brand name to meet increasing competition from New Zealand and Danish brands. Australian trade fairs and area promotions, like the "Australia on Parade" exhibits, also figured prominently in 1963. Throughout Great Britain, Australia maintains 10 district offices to keep in touch with the British trade and lend promotional assistance.

New Zealand dairy products

New Zealand in 1963 waged its biggest campaign to date to sell more butter and cheese in the United Kingdom, New Zealand's best customer for these products. They were promoted through TV commercials carried prior to main shopping days and on weekends, full color ads in women's magazines and the grocery trade press, and point-of-sale displays.

In addition, New Zealand dairy products, as well as meats and fruit, were demonstrated at major U.K. exhibitions.

The chief export items promoted by other countries last year were: the Netherlands, dairy products; South Africa, all types of fruit products and wine; Israel, oranges and grapefruit; Spain, olive oil and fruit; and West Germany, at its recently opened German Food Center in London, some 200 German specialty foods, including sausages, vegetables and cheeses.

Spain Holds Its Eighth Annual Cotton Textile Fortnight

D. Abelardo Vilardell, Spanish Cotton Textile Service promotion director, checks the response of the "El Piso" store to the Service's Cotton White Fortnight held recently in Santander, Spain. The Service provided the posters and sales aids displayed, plus radio tapes, moviehouse slides, and newspaper mats placed by about 1,000 stores at their own cost.

Devoted to household textiles, the Cotton White Fortnight *(Quincena Blanca del Algodon)* has been held in Spain every year since 1957, is one of several retail promotions of the Service. Spain is one of 16 cotton importing countries cooperating with Cotton Council International and FAS in cotton market development.

Canada Removes Duty on Bread

Canadian Finance Minister Walter L. Gordon announced on March 16 the immediate removal of the Canadian import duty on bread. The Canadian duty was 7.5 percent ad valorem while U.S. imports have been duty-free.

In recent years, trade in bakery products between the United States and Canada has been as follows:

	1956-60	1961	1962	1963
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*
U.S. exports to Canada	2.1	2.9	2.1	2.2
U.S. imports from Canada	2.4	2.7	3.6	3.6

U.S. Feed Grain Exports Up 21 Percent

U.S. feed-grain exports during July 1963-January 1964 totaled 9.6 million metric tons—up 21 percent from those in the same period of fiscal 1963. Shipments of corn increased 38 percent, and those of sorghum grains, 6 percent. Oats and barley decreased 33 percent from the 1.2 million tons of last year.

Largest increase was in feed-grain exports to Japan and other Asiatic countries. Eastern European countries are also taking more feed grains, mostly corn. Exports of corn to the Common Market countries were up, but total feed-grain exports to this area fell.

Feed-grain shipments in the July 1963-February 1964 period are estimated to be 10.8 million tons, compared with 9.3 million in the same months of 1962-63.

FEED GRAINS[1]: U.S. EXPORTS, JULY-JANUARY, FISCAL YEARS 1963 AND 1964

Destination	Corn[2]	Oats	Barley	Sorghums	Total
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
1962-63 (July-January)					
Western Hemisphere	1,048	1	64	53	1,166
Western Europe:					
EEC	1,668	243	502	846	3,259
Other Western Europe	1,757	24	37	219	2,037
Total Western Europe	3,425	267	539	1,065	5,296
Eastern Europe	41	--	82	71	194
Total Europe	3,466	267	621	1,136	5,490
Asia	506	(3)	229	355	1,090
Africa	142	(3)	13	2	157
Oceania	(3)	--	--	--	(3)
World total	5,162	268	927	1,546	7,903
1963-64 (July-January)					
Western Hemisphere	1,391	9	83	19	1,502
Western Europe:					
EEC	2,288	44	190	712	3,234
Other Western Europe	2,021	2	179	76	2,278
Total Western Europe	4,309	46	379	788	5,512
Eastern Europe	189	--	58	92	339
Total Europe	4,498	46	427	880	5,851
Asia	1,076	2	223	733	2,034
Africa	158	--	--	8	166
World total	7,123	57	733	1,640	9,553

[1] Excluding milled products. [2] Includes seed corn, except sweet, and exports for relief. [3] Less than 50 metric tons.

Canada Plans Larger Grain Acreage

Canadian growers plan a 2-percent increase over their total 1963 grain acreage, according to their announced March 1 intentions. The plan calls for record plantings of wheat and of corn for grain.

These increases are only partly offset by reductions in acreage to be seeded to oats and barley. The overall increase in grain acreage will come out of summer fallow, which is to be reduced by 5 percent.

A total of 29.1 million acres of *wheat* will be seeded, if plans are carried out. This is 6 percent more than in 1963 and marks the seventh consecutive annual increase. The previous high of 28.7 million acres was in 1940 and the average during 1958-62 was 24.7 million.

Intentions indicate spring wheat plantings of 28.6 million acres—a 6-percent increase over 1963. Of this total durum accounts for 2.1 million acres, slightly below 1963.

The intended 10.1 million acres of *oats* is 5 percent less than that of a year ago. The reported figure includes oats for forage in the Prairie Provinces. It is impossible to forecast the percentage that will be harvested as grain, as it will depend on growing conditions and alternate supplies of fodder and pasture. Percentages have varied widely in the past, ranging from a low of only 48 percent harvested as grain in Saskatchewan in the drought season of 1961 to a high of 93 percent in Manitoba in 1963.

The prospective *barley* acreage, at 5.8 million acres, is 6 percent less than in 1963, 17 percent below the 1958-62 average, and 42 percent below the record of 9.9 million acres in 1955. *Rye* acreage is planned at 672,000 acres, with 577,000 in fall rye and 95,000 in spring rye. The combined acreage is 3 percent above the 1963 total.

Mixed grain acreage will be 1.4 million acres—up 1 percent—if plans are carried out. *Corn for grain* may be planted on 610,900 acres, an increase of 11 percent over 1963. This crop is grown mainly in Ontario.

GRAIN: CANADIAN SEEDING INTENTIONS, 1964 WITH COMPARISONS

Crop	1961	1962	1963	Intended for 1964
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*
Winter wheat[1]	561	450	442	460
Spring wheat	24,755	26,367	27,124	28,638
Total	25,316	26,817	27,566	29,098
Oats for grain[2]	11,530	11,998	10,613	10,128
Barley	5,529	5,287	6,160	5,767
Rye[3]	561	624	652	672
Mixed grains	1,566	1,522	1,411	1,426
Corn for grain	400	439	552	611
Total grain	44,902	46,687	46,954	47,702
Summer fallow[4]	27,860	27,495	27,211	25,950

[1] Seeded the preceding fall, for harvest in year shown. [2] Includes oats for hay in the Prairie Provinces. [3] About 85 percent fall-sown and 15 percent spring-sown. [4] Summer fallow in the Prairie Provinces only.

Spain Needs More Beans

The Spanish Ministry of Commerce has extended until May 29, 1964, the suspension of import duties on dry

beans. This extension was granted because of the continued rise in domestic bean prices.

Spain obtained 181,000 bags of U.S. beans in 1958-59 and 87,000 in 1959-60, principally under Public Law 480. In 1962-63 however, its commercial purchases of U.S. beans totaled 63,000 bags, and from September 1, 1963, through January 31, 1964, they rose to 171,500.

South African Canned Fruit Pack Large

This year, South Africa is expected to have a canned deciduous fruit pack of around 4.8 million cases (24-2½ basis). Though below the record 1963 output of 5.5 million cases, this pack would be the second largest on record.

Accounting for most of the decline from last year is the 20-percent drop in the canned peach pack from the record 3.5 million cases of 1963 to 2.8 million this season. On the other hand, the canned pear pack is estimated at a record 1.1 million cases. All other fruit packs are expected to be below the levels for last year.

SOUTH AFRICA: PRODUCTION OF CANNED DECIDUOUS FRUITS, AVERAGE 1956-60, ANNUAL 1961-64 [1]

Canned fruit	Average 1956-60	1961	1962	1963	Preliminary 1964
		1,000 cases	*1,000 cases*	*1,000 cases*	*1,000 cases*
Apricots	773	864	630	828	650
Peaches	1,846	2,671	2,700	3,533	2,800
Pears	483	769	645	915	1,080
Mixed fruits	357	152	319	261	250
Total	3,459	4,456	4,294	5,537	4,780

[1] Year ending Oct. 31.

Industry sources indicate that prices paid to producers for apricots and pears for canning purposes have dropped substantially from 1963 levels. The price for peaches declined slightly.

Members of the South African Canners Association have adopted the following minimum prices for the sale of canned deciduous fruits to the United Kingdom:

SOUTH AFRICA: MINIMUM EXPORT PRICES FOR CANNED DECIDUOUS FRUITS, 1964 [1]

Canned Fruit	Minimum export price c.i.f. U.K. ports: Fancy/extra Choice	Choice	Standard
	U.S. dollars per dozen	*U.S. dollars per dozen*	*U.S. dollars per dozen*
Apricots	3.12	2.90	2.76
Peaches:			
Yellow cling halves	3.08	2.94	2.80
Yellow cling slices	3.15	3.01	2.87
Freestone halves and slices	—	2.66	2.52
Pears:			
Barlett halves	3.36	3.22	3.08
Bartlett quarters	—	3.15	3.01
Fruit salad	4.34	4.20	4.06
Fruit cocktail	3.78	3.64	3.50

[1] Size 2½.

Mexican Strawberry Industry Sets New Record

Mexico's commercial production of strawberries, which has set a new record each year since 1952, is expected to continue rising.

The total frozen pack may be as much as 55 million pounds in 1964, assuming a normal beginning of the rainy season. In 1963, it was 44 million pounds. A pack of this size is likely to result in exports of about 40 million pounds to the United States—almost 20 percent above the 34.6 million shipped last year.

About 75 percent of the berries are frozen, and most are exported to the United States and Canada, although Mexican consumption of both fresh and frozen berries is increasing each year.

Canadians May Ban Artificially Colored Potatoes

The Canadian Food and Drug Directorate recommended on March 12, 1964, that its regulations be amended to prohibit the sale of potatoes, sweetpotatoes, or yams that have been artificially colored.

The proposed amendment must be cleared with other government departments. When approved, it will be published as an Order-in-Council, to become effective immediately. The procedure for clearance and publication generally requires 6 to 10 weeks.

Dutch Shipments of Butter and Cheese Increase

Exports of butter from the Netherlands in 1963, at 90 million pounds, were up 23 percent over those in 1962. The largest single shipment went to the United Kingdom—33 million pounds, the same amount as in the preceding year. Sales to West Germany, another important outlet for Dutch butter, declined to 11 million pounds from 18 million. Chile took 9 million pounds, compared with 1 million last year; Morocco, 7 million (1 million). Poland, a new market in 1963, purchased 7 million pounds.

Cheese exports, at 259 million pounds, increased 7 percent over the earlier year. West Germany was again the leading purchaser, taking 122 million pounds—4 million more than a year ago. Sales to Belgium, the second largest outlet, totaled over 41 million pounds—but these were 3 million less than in 1962. Large increases were reported in shipments to the United Kingdom—from 19 million pounds to 23 million—and to Spain—from 2 million pounds to 11 million. Sales to Canada of 2 million pounds were less than half of those a year ago. Exports to the United States of 6 million pounds were substantially above 1962, when exports totaled approximately 2 million pounds.

U.S. Exports of Livestock and Meat Products

U.S. shipments of most livestock products rose sharply in January compared with the same month last year. However, when making comparisons it should be kept in mind that shipping in early 1963 from U.S. ports was curtailed by a dock strike.

Lard shipments totaled nearly 63 million pounds; the United Kingdom was again the major destination, taking 48.5 million pounds. In addition, there were sizable shipments to Communist countries in Eastern Europe.

Exports of inedible tallow and greases in January totaled 169 million pounds, 126 percent above those in the same month last year. Shipments to Western Europe were more than three times as large, and shipments to Japan were double those of January 1963.

Red meat exports increased 167 percent over January 1963, largely because of higher pork exports. Over 6 million pounds of fresh or frozen pork were shipped to Common Market countries in January, following December shipments of 5.7 million. Japan was the largest single buyer

of U.S. pork in January, taking nearly 7.0 million pounds, while Canada took about 6.0 million.

Exports of variety meats and natural casings were also sharply above the previous year, with the bulk of exports going to Western Europe.

Shipments of mohair were reduced to about one-fifth the amount exported in January 1963; but exports of all types of hides and skins rose.

Cattle hide exports were double those of the same month last year. Japan was the largest taker, at slightly over 300,000 pieces, while the Common Market countries in total took just under that amount. The USSR, a heavy buyer during the last 4 months of 1963, took only a token amount in January.

U.S. EXPORTS OF LIVESTOCK PRODUCTS, JANUARY 1963 AND 1964
(Product weight basis)

Item	1963	1964
	1,000 pounds	*1,000 pounds*
Animal fats:		
Lard	19,055	62,716
Inedible tallow and greases [1]	74,672	168,601
Edible tallow and greases [2]	287	927
Meat:		
Beef and veal	1,923	3,478
Pork	7,850	22,916
Lamb and mutton	138	102
Sausage:		
Except canned	57	172
canned	12	77
Baby food, canned	55	26
Other canned meats	19	108
Total red meats	10,054	26,879
Variety meat	6,124	16,572
Sausage casings:		
Hog	729	966
Other natural	269	201
Mohair	1,009	193
	1,000 pieces	*1,000 pieces*
Hides and skins:		
Cattle	382	787
Calf	32	227
Kip	8	28
Sheep and lamb	86	295
	Number	*Number*
Live cattle [3]	792	2,320

[1] Includes inedible tallow, greases, fats and oils, oleic acid or red oil and stearic acid. [2] Includes edible tallow, oleo oil and stearin, oleo stock, and shortenings, animal fat, excluding lard. [3] Mostly cattle for breeding.

New Zealand Meat Shipments to the United States

Four ships are scheduled to leave New Zealand during April with 18,032,000 pounds of meat for the United States—14,336,000 for the East Coast and 3,696,000 for the West Coast.

Ship	Sailing date	Destination	Quantity
			Pounds
Port Auckland	April 10	East Coast	2,240,000
Tasmania Star	30	do	12,096,000
Monterey	7	West Coast	336,000
Alexander von Humbolt	14	do	3,360,000

Denmark's Meat Industry Sponsors Research

A new meat-research laboratory and a slaughtering school have been established at Roskilde, near Copenhagen. Financing of $5.1 million was provided largely by the cooperative slaughterhouses and the private meat packers and canning industry. The laboratory has a staff of 175 persons and engages in a wide range of research from meat-cattle breeding to meat preservation and internal-external transportation.

Australian Meat Shipments to the United States

Cap Roca left Australia on March 10 with 9,013,760 pounds of meat for the United States—8,254,400 of beef and 759,360 of mutton.

Destination [1]	Arrival date	Cargo	Quantity
			Pounds
Charleston	April 4	Beef	394,240
		Mutton	199,360
Boston	8	Beef	822,080
		Mutton	67,200
Norfolk	12	Beef	452,480
		Mutton	78,400
Philadelphia	14	Beef	739,200
		Mutton	67,200
New York	16	Beef	5,846,400
		Mutton	347,200

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale.

United Kingdom Imports More Tobacco

The United Kingdom's imports of unmanufactured tobacco during 1963 totaled 325.0 million pounds—up 16 percent from the below-normal figure of 280.4 million for 1962 but still slightly under the 345.3 million for 1961 and the 364.6 million for 1960.

Larger takings from both the United States and the Rhodesias-Nyasaland accounted for most of the increase over 1962, in that year U.K. manufacturers claimed that crops in both of these countries were short of the grades necessary to fulfill their requirements. However, the 1963 crops had ample supplies of the grades needed, and U.K. manufacturers increased their purchases.

U.K. imports from both Commonwealth and non-Commonwealth countries were above the 1962 level but under that for 1961. In the Commonwealth, larger imports from the Rhodesias-Nyasaland more than offset reduced takings from Canada and India. The United States—main non-Commonwealth market—took 37.5 percent more U.K. tobacco than in 1962 but 7.5 percent less than in 1961. Last year, U.S. shipments accounted for 44.8 percent of total imports compared with 37.7 in 1962, 45.5 in 1961, and 48.9 in 1960.

Imports of flue-cured totaled 304.8 million pounds, compared with 263.9 million in 1962 and 329.4 million in 1961. Takings of U.S. flue-cured, at 142.0 million pounds, were almost two-fifths larger than the 1962 level of 103.5 million but still 8.5 percent below the 155.3 million imported during 1961. Imports of Rhodesian flue-cured tobaccos also rose from 84.6 million pounds in 1962 to 92.4 million in 1963. However, those from Canada, India, and the Republic of South Africa were down from the previous year.

Imports of all other kinds of leaf tobacco last year totaled 20.2 million pounds, compared with 16.4 million in 1962 and 15.9 million in 1961. Larger takings from the United States, the Rhodesias-Nyasaland, India, the Republic of South Africa, Jamaica, and Turkey more than compensated for smaller imports from Canada, Tanganyika, and Greece.

TOBACCO, UNMANUFACTURED: UNITED KINGDOM IMPORTS BY COUNTRY OF ORIGIN, 1961-63

Country of origin	1961	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Commonwealth:			
Rhodesia-Nyasaland	102,036	91,892	101,298
India	43,586	39,933	39,476
Canada	34,797	35,505	32,291
Jamaica	347	189	301
Tanganyika	269	367	324
Others	470	337	384
Subtotal	181,505	168,223	174,074
Non-Commonwealth:			
United States	157,120	105,810	145,480
South Africa, Rep. of	3,376	4,012	2,945
Netherlands [1]	1,047	1,229	1,593
Italy	646	155	373
Turkey	323	51	341
Greece	418	510	112
Others	889	362	104
Subtotal	163,819	112,129	150,948
Grand total	345,324	280,352	325,022

[1] Re-exports.

Tobacco Intelligence, Commonwealth Economic Committee, February 1964.

Vietnam's Cigarette Output Up

Cigarette output in South Vietnam continued upward through 1963. Production last year amounted to 10.9 million pounds, compared with 9.7 million in 1962 and 9.4 million in 1961.

Canada Exports More Burley Tobacco

Canadian exports of burley tobacco in 1963, at 2.3 million pounds, were up substantially from the 1.5 million of 1962.

West Germany was easily the largest purchaser of Canadian burley, taking 1.3 million pounds—more than half the total. Other major markets included the United Kingdom, 794,000 pounds, and Norway, 91,000.

Average export prices per pound for Canadian burley in 1963 to individual markets were, in terms of U.S. equivalents; West Germany, 52.4 cents; United Kingdom, 59.0, and Norway, 54.7. The average prices for total burley exports was 54.9 cents.

TOBACCO, BURLEY: CANADA, EXPORTS BY DESTINATION, 1961-63

Destination	1961	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Germany, West	68	2	1,319
United Kingdom	109	849	794
Norway	150	105	91
Hong Kong	52	—	45
Belgium-Luxembourg	21	5	9
Netherlands	—	232	5
Portugal	116	214	—
Others	6	62	—
Total	522	1,469	2,263

USSR Buys More Ghanian Cocoa

Ghana's exports of cocoa beans to the USSR during 1963 totaled 43,586 metric tons, compared with 25,602 in the previous year and 19,7128 in 1961. Purchases by other Bloc countries have also been increasing; exports to East Germany were 12,028 tons, more than double 1962 shipments, and those to Poland have risen by 5 percent.

At the same time, shipments to the United States, Ghana's largest customer, have been declining. In 1963, the United States took 93,116 tons, well below the previous year's total of 114,341 tons and the 1961 level of 141,740. Total 1963 Ghanian exports amounted to 411,037 tons, down slightly from the record 1962 total of 427,960 tons. Ghana is the world's largest producer and exporter of cocoa beans.

Trade and Production in Fishmeal Up

Production and export of fishmeal by the five countries that are members of the Fish Meal Exporters' Organization (FEO) during 1963 increased 5 and 12 percent, respectively, from the levels obtained in 1962. These countries —Angola, Iceland, Norway, Peru, and the Republic of South Africa (including the Territory of South-West Africa)—account for over 85 percent of world exports of fishmeal.

Main exporting member was Peru—the world's largest producer of fishmeal—with 73 percent of total FEO shipments. South Africa accounted for 12 percent; Norway, for 7; Iceland, for 6; and Angola, for 2.

FISH MEAL: PRODUCTION AND EXPORTS, BY MAJOR COUNTRIES, 1962 AND 1963

Country	Production		Exports	
	1962	1963	1962	1963 [1]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
FEO members:				
Angola	32.8	31.4	32.6	30.1
Iceland	96.1	87.8	70.9	99.1
Norway	120.9	131.7	61.7	103.6
Peru	1,120.8	1,159.2	1,066.0	1,159.4
South Africa	201.2	238.2	192.9	198.4
Total	1,571.8	1,648.3	1,424.1	1,590.6
Other countries:				
Canada	75.8	82.0	43.0	50.4
Chile	92.8	110.0	72.8	90.0
Denmark	88.2	90.0	56.5	62.2
Morocco	([2])	([2])	16.0	19.9
Total	272.8	301.9	188.3	222.5

[1] For non-FEO countries, preliminary, partly estimated. [2] Exports taken as production.

Fish Meal Exporters' Organization and official sources.

Following disruptive market conditions existing for fishmeal in 1959 and 1960, the present members of FEO signed an international agreement in late 1960 with the view of regulating output of fishmeal through an export quota system for each member. Members of the organization agreed to pursue a common policy with the objectives of increasing consumption of fishmeal and of ensuring continued supplies to world markets at stable and profitable prices. The activities of FEO have since brought about a considerable improvement in international price levels and in the stability of the fishmeal market.

Exports of fishmeal from the other major world suppliers—Chile, Denmark, Canada, and Morocco—increased 18 percent during 1963.

Spain Raises Its Production Estimate for Olive Oil

Spain's outturn of pressed oil from the 1963 olive crop is now unofficially estimated at 545,000 metric tons—20,000 tons above the last December estimate and considerably above the 327,000-ton estimate for 1962-63 *(World Agricultural Production and Trade Statistical Re-*

port, December 1963). The revised 1963-64 estimate is significantly higher than the 1960-61 outturn of 500,000 tons though below the record 600,000 tons produced in 1951-52. However, the latest crop estimate by the Spanish Ministry of Agriculture (Feb. 10, 1964) indicates that the 1963-64 outturn of pressed olive oil will reach 610,000 tons. The outturn this year is reported to be above that of a year ago in all major producing areas except New Castile, where harvesting has been delayed by excessive rains. Reportedly, oil acidity will be somewhat higher as a result of delayed crushing.

Production of seed oils this year will remain at about the 1962-63 level. However, oil production from crushings of imported soybeans is expected to increase by about 5,000 tons, about offsetting a reduced outturn of cottonseed oil from indigenous sources. The rise in soybean oil production reflects increased crushing capacity which will result after the new solvent extraction plant in Bilbao starts production later this year. Soybean-crushing capacity will then reportedly total 120,000 tons annually.

Despite the marked increase in olive oil outturn, Spain may import soybean oil so as to continue offering a low-priced oil to the lower income classes. However, olive oil producers do not favor seed oil imports, because of the large domestic outturn. Little, if any, sunflowerseed oil imports from the USSR appear likely in 1963-64.

Olive oil consumption will rise sharply reflecting increased availabilities and reduced prices. Also, new regulations allowing blending of sulfur oil with seed oils *(Foreign Agriculture*, Mar. 9, 1964) are expected to promote domestic consumption of sulfur oil.

Export prospects for Spanish olive oil in 1963-64 are limited by the effects of the price structure adopted by the government. Because of the large olive crop, the Spanish Government established a minimum price support to prevent a price collapse. Should Spain hold to these prices, other Mediterranean Basin countries with large olive oil supplies might cut their prices to undersell the Spanish. Also, many foreign buyers may make purchases on a hand-to-mouth basis awaiting further developments.

Spanish olive oil exports in the November-January period of the current marketing year totaled 32,462 tons compared with about 13,100 tons in the same period a year ago and 34,500 tons in 1960-61. Success in achieving increased exports will brighten the prospects for increased imports of seed oils.

OLIVE OIL: SPANISH EXPORTS BY MONTH, 1959-63 [1]

Month	1959	1960	1961	1962	1963
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
November	5.9	5.3	5.9	4.5	9.2
December	9.2	12.9	5.4	5.6	10.7
January	19.7	16.3	6.3	3.0	12.5
February	26.0	15.6	11.4	1.1	—
March	26.9	21.1	11.5	1.0	—
April	21.4	18.5	7.5	3.8	—
May	15.9	16.9	7.9	2.6	—
June	7.5	13.5	8.1	1.1	—
July	3.6	6.4	4.0	1.8	—
August	5.1	7.7	3.0	13.3	—
September	4.5	6.5	3.0	14.4	—
October	4.7	8.4	9.6	14.2	—
Total	150.4	149.1	83.6	66.4	—

[1] Year beginning November.
Olive Oil Exporters' Group, Spanish Olive Oil Syndicate.

SPAIN: EDIBLE VEGETABLE FATS AND OILS, ESTIMATED SUPPLY AND DISTRIBUTION, 1960-63

Item	1960	1961	1962 [2]	1963 [3]
SUPPLY	*1,000*	*1,000*	*1,000*	*1,000*
Stocks:	*metric tons*	*metric tons*	*metric tons*	*metric tons*
Olive	37	62	42	98
Sulfur [4]	3	—	—	14
Seed oils	33	49	83	69
Total	73	111	125	181
Production:				
Olive	500	340	[5]327	545
Sulfur [4]	22	17	23	40
Cottonseed	12	22	25	20
Soybean			2	7
Peanut			13	13
Total	534	379	390	625
Imports:				
Soybean oil	125	177	110	60
Peanut oil	—	28	84	
Sunflowerseed oil	—	—	43	20
Others	15	—	—	—
Total	140	205	237	80
Total supply	747	695	752	886
DISTRIBUTION				
Consumption:				
Olive	326	276	205	310
Sulfur [4]	25	17	9	50
Seed oils	136	193	291	170
Total	487	486	505	530
Exports:				
Olive	149	84	66	125
Sulfur [4]	—	—	—	—
Total	149	84	66	125
Stocks:				
Olive	62	42	98	218
Sulfur [4]	—	—	14	5
Seed oils	49	83	69	8
Total	111	125	181	231
Total distribution	747	695	752	886

[1] Crop year beginning Nov. 1. [2] Preliminary. [3] Unofficial forecast. [4] Refined for food use. [5] Unofficial estimate.
Compiled from official and other sources.

U.S. Exports of Soybeans, Edible Oils, Oilseed Meals

Exports of *soybeans* from the United States in January dropped 22 percent below those of December; however, cumulative exports in the October-January period of the current marketing year were 11 percent above those of the same period a year ago. Largest purchasers in January of this year were Japan, the Netherlands, Italy, and West Germany.

Edible oil exports (soybean and cottonseed) in January gained by one-fourth from the previous month's. Exports in October-January were 13 percent above those of the same period in 1962-63. This excludes estimates of foreign donations for January, which are not yet available. The aggregate increase in edible oil exports largely reflects increased movements of cottonseed oil—up 36 percent in the cumulative period through January. Soybean oil exports gained less than 4 percent.

Although exports of *cakes and meals* were down sharply in January from the previous month, cumulatively through January of the current marketing year they were 4 percent above those of the same period in 1962-63. Sharply increased exports of soybean meal—up 13 percent—made up for reduced movements of cottonseed and linseed cakes and meals.

SOYBEANS, EDIBLE OILS, OILSEED CAKES AND MEALS: U.S. EXPORTS JAN. 1964, WITH COMPARISONS

Item and unit	January		October-January	
	1963[1]	1964[1]	1962-63[1]	1963-64[1]
SOYBEANS				
Japan ...million bushels...	0.9	6.5	16.3	19.6
Canada ...do...	.2	----	9.9	11.0
W. Germany ...do...	.1	1.6	8.9	10.4
Netherlands ...do...	.9	2.1	11.2	9.8
Denmark ...do...	----	.5	4.4	6.4
Italy ...do...	1.0	1.9	6.5	5.5
Others ...do...	.6	4.4	15.0	17.2
Total ...do...	3.7	17.0	72.2	79.9
Oil equiv. ...do...	40.7	187.1	793.2	877.7
Meal equiv. 1,000 tons...	87.0	400.4	1,697.7	1,878.4
EDIBLE OILS				
Soybean:				
Commercial[2]				
Turkey million pounds	----	10.5	----	42.2
Colombia ...do...	----	.2	----	27.6
Pakistan ...do...	----	----	.3	26.5
Morocco ...do...	2.2	----	11.0	19.5
Iran ...do...	3.7	7.2	11.5	18.9
Netherlands ...do...	----	6.5	----	17.6
Hong Kong ...do...	----	9.3	11.6	17.6
Others ...do...	10.7	36.5	204.8	99.3
Total ...do...	16.6	70.2	239.2	269.2
Foreign donations[3] do...	----	(4)	21.1	.1
Cottonseed:				
Commercial[2]				
W. Germany ...do...	----	10.1	22.9	42.9
Netherlands ...do...	----	10.0	----	26.5
Turkey ...do...	----	20.6	----	24.8
Canada ...do...	1.3	4.2	9.2	16.6
Venezuela ...do...	----	3.4	4.4	9.8
Others ...do...	16.0	7.0	63.8	29.7
Total ...do...	17.3	55.3	100.3	150.3
Foreign donations[3] do...	----	(4)	10.0	(5)
Total oils...do...	33.9	123.5	370.6	419.6
CAKES AND MEALS				
Soybean:				
France ...1,000 tons...	4.4	21.7	67.5	97.0
Canada ...do...	15.2	9.3	99.9	68.2
Spain ...do...	15.0	14.1	30.8	46.5
Netherlands ...do...	----	3.1	83.8	42.7
Denmark ...do...	3.1	4.6	28.1	38.9
Belgium ...do...	----	9.9	32.3	37.7
Others ...do...	1.4	15.6	72.4	136.6
Total ...do...	39.1	78.3	414.8	467.6
Cottonseed ...do...	.2	.5	37.6	24.2
Linseed ...do...	----	----	32.7	15.8
Total cakes and meals[6] do...	40.1	78.8	489.9	507.7

[1] Preliminary. [2] Includes Title I, II, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Title III, P.L. 480. [4] If any data not available. [5] Less than 50,000 pounds. [6] Includes peanut cake and meal and small quantities of other cakes and meals. Compiled from records of Bureau of Census and USDA estimates.

Mexican Output of Istle Fibers Up in 1963

Mexico produced an estimated 20,000 metric tons of istle fibers (prepared-fiber basis) in 1963 compared with 19,810 in 1962.

Of this total, 12,000 tons were of palma, up 20 percent from the 1962 level, and 8,000 were of lechuguilla, down 18 percent. A desert plant, lechuguilla is much in demand as a cash crop when the season is too dry for successful farm crops. Consequently, the return of favorable weather for other crops in 1963 after the dry season of 1962 resulted in a large decrease in the lechuguilla harvest. Most of the lechuguilla crop is exported, and approximately half of the exports go to the United States.

Unlike lechuguilla, most of the palma istle is used domestically. Mexican demand for its use in cotton-bale covering has risen somewhat because of increases in the prices of competing fibers—cotton and henequen. However, exports of palma to the United States leaped from 23 tons in 1962 to 2,444 in 1963.

Sierra Leone's Ginger Exports Increase

Exports of ginger from Sierra Leone during 1963 amounted to 1.3 million pounds, compared with 843,000 in the previous year. The United Kingdom was the largest recipient, taking nearly two-thirds of the total. The balance went to the United States.

Smaller Nutmeg Harvest in Grenada

Production of nutmegs and mace in Grenada, second largest producer in the world, is expected to be smaller in fiscal 1964 because of hurricane damage. Although only a few trees were actually destroyed, much of the immature fruit was blown off when the fringe of Hurricane Flora swept the island last fall. Production during the 1962-63 season amounted to 1,546,272 pounds of nutmegs and 294,896 of mace. Exports of both nutmegs and mace during the first 10 months of 1963 totaled 1.8 million pounds, exceeding total 1962 shipments of 1.7 million. Most of the exports went to the United Kingdom, United States, West Germany, and Canada.

A New Direction for Soviet Agriculture?

(Continued from page 3)

tional 6.9 million acres can be irrigated during the next few years at a cost of 7.3 billion rubles ($8.1 billion).

At the February Plenum, Khrushchev placed special emphasis on the question of incentives to farm workers and managers. His speech on February 28 bore down heavily on this point, and he "suggested" that payments be made more directly conditional on output. Communism is not yet at the stage, he says, where material incentives can be ignored.

Incentives for the great mass of the agricultural labor force—the collective farm workers—depend largely upon the sales of the collective farm's produce and the distribution of this income among investment, costs of operation, and taxes. Only what is left over is distributed to members. Between 1953 and 1957 incomes of collective farm workers rose substantially as prices for their products increased. However, stagnation in production, together with the government policy of setting aside a larger share of kolkhoz income for investment, has resulted in stagnation of the collective farmer's income and in many regions actual declines. The poor harvest in 1963 undoubtedly worsened this situation. Present proposals stress the need to tie payments to the output of *individual* farm workers.

It is important to recognize not only that agricultural production has stagnated in the Soviet Union since 1959, but that this stagnation was foreshadowed by a curtailment in the efforts of the state to increase output. Noticeable signs of renewed efforts appeared in 1962 and 1963, although their effect was partly or wholly obscured by the

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

bad weather conditions of 1963. The new programs announced last fall and this spring appear to indicate that these state efforts are to increase even more in coming years.

The fertilizer program and the planned increases in investment and machinery deliveries can be followed closely, and progress along these lines would be one indication of how serious the state is about improving agriculture. Other aspects of the new program—such as increased irrigation, more adequate incentives, and managerial reorganization—are much more difficult to evaluate, and their significance hinges on a number of considerations.

The irrigation program, as announced, appears to be incompletely thought out and a result primarily of last year's drought. The incentive measures now proposed will be difficult to carry out within the institutional structure of Soviet agriculture, and it is still uncertain how and to what degree incentives are to be increased.

Agricultural structure a handicap

This institutional structure itself, including farm organization and management, is undoubtedly the major drawback to agricultural progress. On March 23 the Soviet Government announced a decree curtailing the powers of regional party officials and implying that collective and state farms may receive some greater degree of local autonomy within the overall state plan. It is still too early to evaluate the impact on initiative at the farm level. On the surface, however, this appears to contradict the policy of renewed party control implemented in 1962.

As Khrushchev has pointed out, a favorable future for agriculture in the Soviet Union depends on intensive methods of production, which he hopes will result in increases in productivity—the area in which Soviet agriculture has shown the least promise so far. However, the programs announced in December and February are aimed in this direction and, if carried out, will undoubtedly result in greater agricultural output.

[1] U.S. Department of Agriculture, Economic Research Service, *Future Crop Yields and Fertilization in the Soviet Union*, an analysis of P. M. Zemsky's *The Development and Specilization of Agiculture According to Natural Economic Regions of the U.S.S.R.*, Washington, D. C., February 1964.

WORLD CROPS AND MARKET INDEX

(Other commodity articles listed on page 2)

Dairy and Poultry Products

11 Dutch Shipments of Butter and Cheese Increase

Fats, Oilseeds, and Oils

13 Trade and Production in Fishmeal Up
13 Spain Raises Its Production Estimate for Olive Oil
14 U.S. Exports of Soybeans, Edible Oils, Oilseed Meals

Fruits, Vegetables, and Nuts

11 South African Canned Fruit Pack Large
11 Mexican Strawberry Industry Sets New Record
11 Canadians May Ban Artificially Colored Potatoes

Grains, Feeds, Pulses, and Seeds

10 Canada Removes Duty on Bread
10 U.S. Feed Grain Exports Up 21 Percent
10 Canada Plans Larger Grain Acreage
10 Spain Needs More Beans

Livestock and Meat Products

11 U.S. Exports of Livestock and Meat Products Rise
12 New Zealand Meat Shipments to the United States
12 Denmark's Meat Industry Sponsors Research
12 Australian Meat Shipments to the United States

Sugar, Fibers, and Tropical Products

13 USSR Buys More Ghanian Cocoa
15 Mexican Output of Istle Fibers Up in 1963
15 Sierra Leone's Ginger Exports Increase
15 Smaller Nutmeg Harvest in Grenada

Tobacco

12 United Kingdom Imports More Tobacco
13 Vietnam's Cigarette Output Up
13 Canada Exports More Burley Tobacco